AIDS FOUNDATION OF CHICAGO

Testimony by John Peller, Director of Government Relations, AIDS Foundation of Chicago

Illinois Health Care Reform Implementation Council, November 16, 2010

As many of you know very well, thanks to HIV medications, people with HIV can live near-normal lives if they begin treatment early and continue treatment without interruption. For some people living with HIV, the disease has become a chronic disease, just like diabetes or heart disease—if they have access to early detection, medical care and life-saving medications.

Today, the AIDS Foundation of Chicago (AFC) estimates that nearly 45,000 people in Illinois are living with an HIV diagnosis, including about 10,000 who have HIV but don't know it. An estimated eight people a day are infected with HIV in Illinois. That's 56 people a week, 240 a month, and almost 3,000 a year. The lifetime cost of HIV medical care alone for someone with HIV is over $350,000. It will cost $1.05 billion to provide lifetime medical care to people infected with HIV *this year alone*.

Staggering health disparities exist in HIV/AIDS. A study conducted in Chicago found that HIV rates were seven times higher among African American gay men and men who have sex with men than their white counterparts. HIV rates were 3 times higher among Latino gay men and men who have sex with men than their white peers.[i] While African Americans represent 12% of the Illinois population, 55% of people reported with HIV in 2009 identify as African American.

Medicaid is the largest single payer of HIV care in Illinois and across the U.S. In FY 2008, the Illinois Department of Health Care and Family Services (HFS) spent over $210 million for care for about 11,000 Medicaid recipients, and we estimate that an additional 5,000-10,000 or people with HIV could be eligible for Medicaid in Illinois in 2014.

We ask that the Health Care Reform Implementation Council consider three issues relating to Medicaid coverage for people with HIV to reduce the burden of chronic disease, reduce health disparities, and improve the lives of people living with HIV and those at risk of being infected with HIV.

1. **Build a Bridge to 2014:** Although much of health reform doesn't start until 2014, we urge you to consider applying for a Section 1115 waiver to expand access to Medicaid to childless adults before they are disabled. Cindy Mann, federal CMS Director of Medicaid and State Operations, told advocates on November 15 that CMS will issue guidelines in early 2011 for a streamlined 1115 waiver application to cover people with HIV who are not yet disabled. Such a program would allow Illinois to claim matching funds on some of the $20 million in state funds now being spent on the AIDS Drug Assistance Program, while providing access to comprehensive Medicaid services for people with HIV who wouldn't otherwise be eligible until 2014. This would serve as a dry run in preparation for the major expansion in 2014 and give safety-net HIV providers an opportunity to scale up their Medicaid infrastructure.

2. **For people with chronic diseases, consider partnerships that can braid funding streams to create structural change in recipient's lives.** Many Medicaid recipients with chronic diseases have complex needs that cannot be met by Medicaid alone. Agencies and programs that can braid funding from multiple streams to provide services such as housing, substance abuse treatment, and care coordination are needed to control costs and improve care. It's clear that structural interventions such as housing are critical to managing health care costs, particularly for people who are homeless or have other special needs. The AIDS Foundation of Chicago is working closely with HFS staff to identify the highest-cost Medicaid clients with HIV who are homeless or unstably housed, and will prioritize them for housing when openings become available. A study performed in Chicago showed that people with HIV and other chronic diseases who were housed used one-third fewer inpatient hospital days, half the nursing home days, and one-quarter fewer emergency room visits than their peers who received regular care.[ii]

3. **Coordinate Medicaid and Ryan White-funded services:** The federally-funded Ryan White HIV/AIDS program supports health care and wrap-around social services for uninsured people with HIV/AIDS. Ryan White-funded programs have developed holistic, state-of-the-art programs that provide coordinated, comprehensive HIV/AIDS care. The HIV community is eager to share Ryan White best-practices and lessons learned with HFS and providers to inform the planned expansion of Medicaid in 2014.

   In addition, Ryan White providers and services will need to be integrated into public and private provider networks and services to ensure a seamless transition for people with HIV and AIDS who will finally have access to health insurance. Many urban and rural areas in the United States most profoundly affected by HIV do not have the healthcare resources, infrastructure or trained staffing necessary to accommodate current or increased caseloads. Addressing these issues is critical to preparing for implementation of health care reform in 2014.

   Finally, the Ryan White Care Act will be reauthorized in 2013, providing a unique opportunity to reshape the program into one that provides services that wrap around Medicaid, Medicare, and private insurance plans. We look forward to ensuring that these services are appropriately coordinated to maximize resources.

We look forward to working with you to implement health care reform.

Contact: John Peller, Director of Government Relations, 312-334-0921, jpeller@aidschicago.org.

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[i] Chicago Department of Public Health, *STI/HIV/AIDS Chicago Surveillance Report*, July 2009, Table 3.
[ii] Sadowski, L., Kee, R., VanderWeele, T., & Buchanan, D. Effect of a Housing and Case Management Program on Emergency Department Visits and Hospitalizations among Chronically Ill Homeless Adults: A Randomized Trial. *Journal of the American Medical Association.* May 6, 2009, 301: 17, p. 1771.